

**IN THE UNITED STATES BANKRUPTCY COURT
FOR THE DISTRICT OF DELAWARE**

In re:)	
)	Chapter 11
TOWN SPORTS INTERNATIONAL, LLC, <i>et al.</i> , ¹)	
)	Case No. 20-12168 (CSS)
)	
Debtors.)	(Jointly Administered)
)	
)	Re: Docket Nos. 208, 278 & 290

**SECOND SUPPLEMENTAL NOTICE TO CONTRACT COUNTERPARTIES TO
POTENTIALLY ASSUMED EXECUTORY CONTRACTS AND UNEXPIRED LEASES**

**YOU ARE RECEIVING THIS NOTICE BECAUSE YOU
OR ONE OF YOUR AFFILIATES IS A COUNTERPARTY TO AN
EXECUTORY CONTRACT OR UNEXPIRED LEASE WITH ONE OR MORE
OF THE DEBTORS AS SET FORTH ON EXHIBIT A ATTACHED HERETO.**

PLEASE TAKE NOTICE that on October 9, 2020, the United States Bankruptcy Court for the District of Delaware (the “Court”) entered the *Order (I) Approving Bidding Procedures in Connection with the Sale of Substantially All of the Debtors’ Assets, (II) Approving the Form and Manner of Notice Thereof, (III) Scheduling an Auction and Sale Hearing, (IV) Approving Procedures for the Assumption and Assignment of Contracts, (V) Approving the Sale of the Debtors’ Assets Free and Clear, and (VI) Granting Related Relief* [Docket No. 208] (the “Bidding Procedures Order”), authorizing the Debtors to conduct an auction (the “Auction”) to select the party to purchase substantially all of the Debtors’ Assets. The Auction will be governed by the bidding procedures (attached to the Bidding Procedures Order as **Exhibit 1** (the “Bidding Procedures”).²

PLEASE TAKE FURTHER NOTICE that, pursuant to the Bidding Procedures and the terms of any Successful Bid, the Debtors **may** assume or assume and assign to the Successful Bidder certain Executory Contracts and Unexpired Leases to which you may be a counterparty (each non-Debtor contract counterparty to an Executory Contract or Unexpired Lease, the

¹ The last four digits of Town Sports International, LLC’s federal tax identification number are 7365. The mailing address for Town Sports International, LLC is 399 Executive Boulevard, Elmsford, New York 10523. A complete list of all the Debtors in these jointly administered cases, including the last four digits of their federal tax identification numbers and addresses, may be obtained on the website of the Debtors’ claims and noticing agent at <http://dm.epiq11.com/TownSports>.

² All capitalized terms used but not otherwise defined herein shall have the meanings ascribed to them in the Bidding Procedures Order or the Bidding Procedures, as applicable.

“Contract Counterparty,” and collectively, the “Contract Counterparties”), upon approval of the Sale.

PLEASE TAKE FURTHER NOTICE that on October 16, 2020, the Debtors filed the *Notice to Contract Counterparties to Potentially Assumed Executory Contracts and Unexpired Leases* [Docket No. 278] (the “Assumption and Assignment Notice”), which identified certain Executory Contracts and Unexpired Leases (collectively, the “Contracts”) that may be assumed and assigned to the Successful Bidder and associated cure amounts (the “Cure Amount”), if any, to be paid to the applicable counterparty under section 365(b)(1)(A) and (B) of title 11 of the United States Code, 11 U.S.C. §§ 101–1532 (the “Bankruptcy Code”) if such Contracts are assumed and assigned to the Successful Bidder. On October 20, 2020, the Debtors filed the *Supplemental Notice to Contract Counterparties to Potentially Assumed Executory Contracts and Unexpired Leases* [Docket No. 290] (the “Supplemental Assumption and Assignment Notice”). The Assumption and Assignment Notice, the Supplemental Assumption and Assignment Notice, and the Assigned Contracts Schedules attached thereto can be viewed on the Debtors’ case website (<http://dm.epiq11.com/TownSports>).

PLEASE TAKE FURTHER NOTICE that the Debtors have conducted a further review of their books and records and have identified certain additional Contracts (the “Additional Contracts”), as set forth on **Exhibit A** attached hereto, that may be assumed and assigned to the Successful Bidder. The proposed Cure Amounts, if any, associated with the Additional Contracts are listed on **Exhibit A**.

PLEASE TAKE FURTHER NOTICE that if you disagree with notice provided hereunder or the proposed Cure Amount (each, a “Cure Objection”), your objection must: (i) be in writing; (ii) comply with the applicable provisions of the Bankruptcy Rules, the Local Rules, and any order governing the administration of these chapter 11 cases; (iii) state with specificity the nature of the objection and, if the Cure Objection pertains to the proposed Cure Amount, state the cure amount alleged to be owed to the objecting Contract Counterparty, together with any applicable and appropriate documentation in support thereof; and (iv) be filed with the Court and served and **actually received no later than November 13, 2020 at 4:00 p.m. (prevailing Eastern Time)** (the “Cure Objection Deadline”) by the following parties: (a) counsel for the Debtors, Kirkland & Ellis LLP, 601 Lexington Avenue, New York, New York 10022, Attn.: Nicole L. Greenblatt, P.C. (nicole.greenblatt@kirkland.com), Joshua M. Altman (josh.altman@kirkland.com), and Derek I. Hunter (derek.hunter@kirkland.com); and (b) Office of the United States Trustee for the District of Delaware, 844 King Street, Suite 2207, Wilmington, Delaware, 19801, Attn.: David Buchbinder (david.l.buchbinder@usdoj.gov); *provided* that the Debtors may extend the Cure Objection Deadline.

PLEASE TAKE FURTHER NOTICE that if no objection to (a) the Cure Amount(s), (b) the proposed assumption or assignment and assumption of any Executory Contract or Unexpired Lease, or (c) adequate assurance of the Successful Bidder’s ability to perform is filed by the Cure Objection Deadline, then (i) you will be deemed to have stipulated that the Cure Amounts as determined by the Debtors are correct, (ii) you will be forever barred, estopped, and enjoined from asserting any additional cure amount under the proposed Executory Contract or Unexpired Lease, and (iii) you will be forever barred, estopped, and enjoined from objecting to

such proposed assignment to the Successful Bidder on the grounds that the Successful Bidder has not provided adequate assurance of future performance as of the closing date of the Sale.

PLEASE TAKE FURTHER NOTICE that any Cure Objection in connection with the Successful Bid that otherwise complies with these procedures yet remains unresolved as of the commencement of the Sale Hearing, shall be heard at a later date to be fixed by the Court.

PLEASE THAT FURTHER NOTICE that, notwithstanding anything herein, the mere listing of any Executory Contract or Unexpired Lease on a Cure Notice does not require or guarantee that such Executory Contract or Unexpired Lease will be assumed or assumed and assigned by the Debtors at any time, and all rights of the Debtors and the Successful Bidder with respect to such Executory Contract or Unexpired Lease are reserved. Moreover, the Debtors explicitly reserve their rights, in their reasonable discretion, to seek to reject or assume each Executory Contract or Unexpired Lease pursuant to section 365(a) of the Bankruptcy Code and in accordance with the procedures allowing the Debtors and/or the Successful Bidder, as applicable, to designate any Executory Contract or Unexpired Lease as either rejected or assumed on a post-closing basis.

PLEASE TAKE FURTHER NOTICE that, nothing herein (i) alters in any way the prepetition nature of the Executory Contracts and Unexpired Leases or the validity, priority, or amount of any claims of a Contract Counterparty against the Debtors that may arise under such Executory Contract or Unexpired Lease, (ii) creates a postpetition contract or agreement, or (iii) elevates to administrative expense priority any claims of a Contract Counterparty against the Debtors that may arise under such Executory Contract or Unexpired Lease.

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Dated: October 30, 2020
Wilmington, Delaware

/s/ Allison S. Mielke

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Co-Counsel for the Debtors and Debtors in Possession

EXHIBIT A**Additional Contracts**

	Debtor Case Number	Debtor Counterparty	Counterparty	Description of Contract	Amount Required to Cure Default, if Any
1	20-12168 (CSS)	Town Sports International, LLC	American Express Company	American Express Card Acceptance Agreement (as amended and/or modified)	\$0.00
2	20-12168 (CSS)	Town Sports International, LLC	Google LLC (f/k/a Google, Inc.)	Google AdWords Master Services Agreement (as amended and/or modified)	\$118,751.25